



Accelerate the secure and efficient consumption of public cloud

How a public-cloud spend assessment creates a fundamental baseline for your organization

Public-cloud spending continues to soar as multiple elements of the technology stack are migrated to the cloud. The adoption of public cloud, which allows organizations to scale rapidly, is set to increase by 22.4% over the next 18 months, according to research conducted by 451 Research on behalf of NTT for our [2021 Hybrid Cloud Report](#).

Of course, the global pandemic has been a big catalyst of change. But we must also acknowledge that many enterprises had already started, and are still on, an innovation journey.

The creation of the intelligent workplace continues to be a focal point, with innovative networking capabilities that support and respond to the changing needs of both customers and employees being critical to its success.

Business continuity and the capacity to adapt to changing market conditions remain at the forefront of strategic leadership discussions. Being prepared to respond to opportunities may well require the adoption of new technology in support of reengineering your business. Public cloud offers a pathway to enabling this – but there are factors to consider along the way.

Drivers for multicloud adoption can become challenges

Paradoxically, some of the main drivers for multicloud adoption can become your greatest challenges. The [Multicloud Business Impact Brief](#) by 451 Research highlights that organizations are adopting hybrid and multicloud approaches in part to overcome some of the limitations and challenges of cloud use. Yet, many of these challenges persist, including high costs and complexities.

Why is this?

Why cloud budgets drift out of control

As cloud usage increases, so do the operational costs and impact of system failures and security breaches. The positive drivers of public cloud spend need to be balanced against the prudent and efficient usage of those assets. Too often, organizations don't monitor asset usage. Costs can spiral out of control if cloud resources are not reviewed regularly and further optimized after they've been deployed.

There are three main reasons for this.

First, an increase in cloud usage and the ease with which cloud resources can be procured often results in complex, multicloud environments. Not only does this lead to cloud-resource sprawl, but it also creates additional complexity because billing details can vary dramatically between providers. There can be quite literally thousands of options and combinations. Managing all these systems can be very challenging for

teams unfamiliar with the administration of cloud resources, which can lead to a significant misinterpretation of spend.

Second, a considerable number of infrastructure and operations (I&O) teams are not operationalized for cloud environments, meaning they can lack the understanding and organizational processes to manage costs in the cloud.

And third, a siloed approach to managing public cloud makes it difficult for I&O teams to align with multiple options for addressing cloud expense management with their organization's cloud strategy.

Take a whole-of-business approach to determine ROI

Considering the many challenges of overseeing public-cloud spend, implementing the right processes and frameworks can bring significant tangible benefits to your organization.

But this will require doing more than implementing operational procedures within your I&O team. You'll need considerable input from and partnership with a range of disciplines and teams within your organization, such as product management, governance, operations and finance, to name but a few.

This is important, as cloud usage and its subsequent spend relate directly to your business and its wider goals. Matching cloud costs to business goals enables your organization to consider the return on investment (ROI) gained from migrating applications, services and infrastructure into the cloud. It also allows you to evaluate the business impact of cost growth and optimization. For example, it makes no sense driving down cloud costs if you're unable to support your business partners in achieving their goals.

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Get to grips with public-cloud spend

While there are important (and plenty of) native tools for the ongoing management of public-cloud costs, many organizations lack an initial baseline for change: one that helps identify cost-saving opportunities and gives recommendations on how to improve the management of public-cloud spend.

An [assessment of public-cloud spend](#) is a great place to start.

By analyzing your current state, policies and spend patterns, you can identify opportunities to optimize cloud spend and implement cost-management controls.

Considered in more detail, such an assessment helps to identify high-cost cloud resources and considers options to reduce or minimize future cloud-consumption costs. It will pinpoint usage challenges you may have – for example, high-cost, idle or low-utilization resources – across a range of variables, such as your subscriptions, locations, business units and resource types, along with your various projects and applications.

This enables you to uncover areas where you can make monthly and annual cost savings – for example, if over-sized resources that can be right-sized, and idle or low-utilization resources that can be retired. Additionally, it highlights where your nonproduction resources can be powered off after hours, and where reserved instances can be used to reduce per-hour rates.

Finally, cost management recommendations can provide you with further insights into cloud governance and billing-management responsibilities, identify efficiencies for future cloud projects, and help you improve cloud-spend management and monitoring by implementing resource management standards, policies and automated spend-alerts.

Create your baseline

The acceleration of public-cloud usage has been both vital and fruitful for organizations as they drive greater user experiences and cost efficiencies throughout their enterprise. **But the benefits of public cloud can be quickly undone if spending remains unchecked or any spend analysis is disjointed and complicated.**

Creating a baseline through a public-cloud spend assessment not only gives you and your team an opportunity to drive more efficient consumption of IT but also brings immediate and tangible financial benefits to your organization.

Discover more about NTT's **Public-cloud Spend Assessment** [here](#).

